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70 Years
"A Partner in Conservation Since 1935"

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MINNESOTA BULLETIN NO. 250-6-3

SUBJECT: EQIP Late Payment Interest Penalties

Purpose. To advise Field Offices of interest penalties paid for late payments under EQIP contracts signed between 1997 and 2004 which include language in the CCC-1200-EQIP Appendix stating the participants are to receive an interest penalty for payments not made within 30 days.

Expiration Date. September 30, 2006.

Interest due as a result of EQIP contract payments delayed more than 30 days is to be paid to participants according to a March 31, 2005 memorandum from the Deputy Chief for Management and the Prompt Payment Act.

Approximately 255 interest payments have been scheduled and certified by State Office Financial Management personnel. Electronic Funds Transfers (EFTs) should occur within 3-5 business days of the certified payment and will be noted as "EQIP LATE PENALTY INTEREST" on the participant bank statements (individuals without direct deposit will receive paper checks).

ASTCs(FO) have been provided with a list of affected participants and the amount of interest they will receive. The information will be made available to you for answering any questions from participants. The number of days past due was based on the "Certified Practice" date in Protracts and the Treasury Disbursement date in the Fund Manager system (Note: Dates may have been changed in Protracts since the initial list of transactions was extracted by National Headquarters). The Prompt Pay Interest Rate in effect on the day after the payment due date (Practice Certified Date) was used to determine the amount of interest due. Based on the US Treasury's Prompt Pay guidelines, only amounts due of \$1.00 or more were paid to participants.

Please direct further inquiries to Bryan A. Welp, Budget Officer at (651) 602-7860.

WILLIAM HUNT
State Conservationist

DIST: ASTC(FO), ASTC(P), ASTC(O), SAO